GRUMMAN DAILY EDITION

plane news

October 23, 1981

Former employee files suit against pension trustees

A former Grumman employee has filed suit in U.S. District Court in Uniondale, charging that the trustees of the Grumman pension plan violated federal laws when they purchased 1,160,000 shares of Grumman stock and refused LTV's offer of $45 a share.

Anthony Scibelli -- now living in Florida -- charges that the trustees breached their fiduciary responsibilities to plan members, violating the federal Employee Retirement Income Security Act (ERISA).

Scibelli's suit contains essentially the same allegations as the Department of Labor's suit, and the suit brought by LTV against the pension plan trustees. Judge Jacob Mishler dismissed LTV's suit last week, ruling that the Dallas-based firm had no legal right to make the allegations.

Both Scibelli's and the Labor Department's suits will be heard by Judge Mishler on October 30.

The pension plan trustees have maintained that their actions have been consistent with their obligations under ERISA, and that those actions were taken solely in the interest of the participants and beneficiaries of the plan.

"We think they are right"

Last night, WABC-TV (Channel 7), broadcast an editorial supporting the fight against LTV's attempt at a takeover of Grumman.

Cliff Love, the station's editorial director:

There's a major battle being fought here on Long Island. It involves a 450 million dollar bid from a Dallas based corporation to take control of the Grumman Corporation. This situation has a lot of Long Islanders worried... especially Grumman employees. They fear that if control is lost, jobs and facilities will eventually go to the Southwest. We think they are right.

Grumman is the largest private employer on Long Island. It employs 28,000 people, most of whom live, work and pay taxes on the Island. The major concern is that if the LTV Corporation gains control of Grumman, the economy of Long Island would suffer.

Yes, Grumman is the company which manufactured New York City's Flxible buses... the ones with all those structural problems... but it also is the fourth largest defense contractor in the nation. The LTV Corporation is also a major military contractor. So there are a lot of legal questions that must be addressed. But those are issues that must be decided in a court of law.

We can't predict the outcome, but we do feel that the Grumman Corporation plays a pivotal role in Long Island's economy. New York must be aggressive in preventing the drain of industry and jobs from this area to the sunbelt. We urge New Yorkers to rally behind the efforts being waged to prevent this takeover from happening. We suggest you write your Washington representatives and let them know how you feel.

"Our name isn't up for adoption"

The following appeared in the latest edition of Dia-log, the Grumman Houston newsletter. It was written by editor Selena Post.

Calvin Coolidge, our 30th President, understood his countrymen. Although his comments were penned in the 1920's, the words are true today and when reading them recently, they brought to mind the great team effort of the Grumman people to keep us independent:

"The meaning of America is not to be found in a life without toil. Freedom is bought with a great price; it is maintained by unremitting effort.

"Of course we look to the past for inspiration, but inspiration is not enough. We must have action. Action can only come from ourselves; government...cannot act; our only strength...lies in the individual. American institutions are builded on that foundation. That is the meaning of self-government, the worth and the responsibility of the individual. In that America has put her trust."

Grummanites have taken the LTV threat seriously. Many have paid the price of personal dollars to buy and hold on to Grumman stock and nearly everyone pooled dollars for newspaper ads to tell the country where we stand.

Grumman is unique; because Grumman is people. We are proud of our past; the excellence of our products guarantees a great future.

Mr. Coolidge also said, "The world has had enough of the wrong use of material power." Certainly LTV would keep the GRUMMAN name on our products! Our standard of excellence is well known. Just having the "material power" to purchase Grumman wasn't enough....our name isn't up for adoption and we're not easily kidnapped.

PLANE NEWS/Daily Edition

Published to keep you informed about the unsolicited takeover attempt.

Questions or comments? Contact us.

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MAIL STOP: B45-05

October 22, 1981 — Grumman shares closed at 32 5/8 today, up 2 7/8; approximately 369,200 Grumman shares were traded.